

## CHAPTER 5: CONCLUSION AND RECOMMENDATIONS

### 5.1 Conclusion

The research results, both qualitative and quantitative, showed that the ten Malaysian financial institutions were only moderately capable of transforming themselves into a learning organization. It inferred that Malaysian financial institutions were only moderately ready to assist the nation to move from the production-based economy to the knowledge-based economy.

The research findings also showed that the capabilities levels of the five learning organization domains within the ten target organizations were unsatisfactory.

Under the **'learning dynamics' domain**, the general trend shows that learning was still confined to departmental boundaries. The enabling mechanisms to facilitate staff of one department to learn from another department were lacking. Most individuals in the organizations were not coached how to expand their learning capabilities.

The results of the **'organization transformation' domain** also implied that insurance and banking industry had not actively designed ways to share knowledge throughout the organizations. Most of the work within the organizations still followed routines and existing formats and supervisors had not provided enough encouragement to help subordinates to learn.

The test on **'people empowerment' domain** showed that customers had not been given enough opportunities to contribute to the business development of the financial institutions.

'**Knowledge management**' domain seemed to be one of the weakest links. The results showed that the financial institutions have not established the capable systems and structures to capture knowledge, and to transfer knowledge optimally within the organizations.

Consistent with the knowledge management domain, the test of "**Technology Application**" showed that the support systems to enhance the organization-wide knowledge acquisition and learning needs were below the expectation of the organization members.

Away from the less than encouraged findings, the research however found that the level of awareness on the importance of organizational learning was high among the top management of the financial institutions and also, there was a strong indication that most of the organization members were keen to learn and to expand their knowledge. With such good fundamentals in place, what left for the financial institutions to do here perhaps is to find 'the will and the ways'.

In the further analyses of the study, the researcher also found that the perceptions on the capabilities of a learning organization differed significantly among the respondents by their tenure in the organization. The researcher believed that this association could be further researched and clarified so that it could be meaningfully used for the formulation of strategies and policies of the respective organization in future.

As a whole, the researcher believes that the findings of this study are able to provide the local financial institutions an early insight into the level of their learning capabilities and should therefore be able to help the management of the financial institutions to focus their strategies in respect of the building a true learning organization.

Based on David Garvin (2000)'s research, learning has yet to establish a secured beachhead at many corporations. It occurs, of course, but more often through benign neglect than active support. All too many managers continue to regard time spent on learning as a 'necessary but unproductive evil'. Such views are unfortunate because they reflect an extraordinarily narrow conception of the potential impact of learning. Nor do they recognise the many guises in which new knowledge appears. Far from being academic, philosophical and inefficient, corporate learning is much more likely to be practical, applied, and intimately linked to the bottom line.

## **5.2 Recommendations**

It is time for many of the financial institutions to move forward.

The research findings have provided the financial institutions some clues on the weaknesses and strengths of their various learning dimensions and elements. As such, individual organizations need to further investigate, identify and remove the inadequacies and stumbling blocks within their organizations and build on their existing strengths.

The leaders of the organizations must acquire the right mindset, to intensively revisit their organizations' visions, to improve their infrastructures and to sharpen their alignment skills, to prepare for a successful take off – to face the intense competition in the financial sector head-on.

There is no fixed method for developing a learning organization. It is clear from the reviews of literature that the basic substance or ingredients for the creation of a learning organization do not differ substantially from one another. Essentially, learning organization evokes the fundamental constructs/architecture of an effective organization. The culture, vision, people, systems, technologies and their interactions must be in the right perspectives in order to flourish the learning systems within the organizations. Rigorous checking on the quality and

completeness of the fundamental constructs and their interrelatedness will surely improve the capabilities of transformation and increase competitiveness of the organizations.

### **5.3 Limitation of the Study and Suggestions for Future Research**

This research only serves as a 'preliminary test' on the preparedness of the financial institutions to transform themselves into a learning organization for meeting the challenging time ahead.

Future studies could perhaps investigate deeper into additional dimensions and elements to further verify their levels of capabilities.

There remain many other intricate organizational issues to be dissected in respect of organizational learning. More studies are recommended for the following:

- (i) The reasons on why Malaysian financial institutions are only 'moderately' capable;
- (ii) The relationship between the make-up/constructs of the organization (that includes the culture, reporting structure, work processes, human interactions) and the probabilities of successful transformation;
- (iii) The relationship between the composition, attitude and knowledge level of the board of directors and the vision, strategies and competitiveness of the financial institutions; and
- (iv) The effective ways to remove stumbling blocks in the creation of a learning organization.

The researcher hopes that the findings of this study are able to elicit more in-depth studies and debates on this subject matter and to heighten the level of awareness on organizational learning in the country.